



Director of
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JORDAN: PLO Delegation Visit

25X1 [] //The discussions that begin today in Amman between Jordanian officials and representatives of the Palestine Liberation Organization are not likely to overcome the fundamental suspicions that exist between the two sides. King Hussein will not allow the PLO to increase its political or military activity in Jordan significantly, although he may permit a visit to Amman by PLO leader Yasir Arafat.//

25X1 [] //A short-lived PLO-Jordanian dialogue early last year foundered in part because of the lack of any basis for reconciliation. At present, PLO leaders are at least pleased with the reserved stand that Hussein took toward the Camp David accords at the recent Baghdad summit. The PLO probably hopes that the current talks will further solidify the Arab front lined up against the accords and perhaps lead to coordination with Jordan on future moves regarding the status of the West Bank and the Gaza Strip.//

25X1 [] //Both sides are likely to discuss how to spend the reported \$150 million annually earmarked at the recent Baghdad summit for use in the West Bank and Gaza. These funds will be administered by a PLO-Jordanian committee and channeled through Amman.//

25X1 [] //The PLO may well repeat its longstanding requests for permission to station military forces in Jordan and to expand its political organizing among the estimated 1 million Palestinians in Jordan. The Jordanians are almost certain to reject these demands, as they have in the past.//

25X1 [] //The reported inclusion of several pro-Syrian Palestinians on the PLO delegation suggests that Syria is keeping a close eye on the proceedings. The Syrians were angered earlier this year when the PLO undertook some low-level meetings with Jordanian officials without informing Damascus. []

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CHINA: Political Atmosphere

25X1 [] *The political atmosphere in China has heated considerably since Vice Premier Teng Hsiao-ping returned from Southeast Asia earlier this month. The wall poster that appeared in Peking last weekend attacking Mao Tse-tung for his role in Teng's ouster in 1976 may be outside the realm of official activity, but it clearly reflects a popular belief that expressions of anti-Mao sentiment can influence current deliberations by the leadership.*

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25X1 [] On 9 November, the Peking municipal party committee announced that it had launched an investigation of its recent misdeeds, to be completed in two months. The investigation undoubtedly will result in major charges against former Peking party boss Wu Te, who lost his local position in October but remains on the Politburo. The charges against Wu will probably constitute the basis for his dismissal from the Politburo at the coming plenum.

25X1 [] Another likely high-level victim is party Vice Chairman Wang Tung-hsing, who appears to have come under increasing fire for his apparent resistance to Teng's program of setting policy according to needs rather than on the basis of Mao's teachings.

25X1 [] The Peking party committee announcement also suggested that former party boss Peng Chen, a leading victim of the Cultural Revolution, will be rehabilitated. His return would cast a dark shadow over the legitimacy

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of the Cultural Revolution, which now seems to be undergoing a reevaluation. A major article earlier this month attacked a critique in 1965 of a play written by a Peking city official; the critique was the opening shot of the Cultural Revolution.

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[] We do not know whether the wall poster attacking Mao had official sanction. If it did, Teng would appear to be playing with fire. He is likely to run into stiff opposition from Mao's chosen heir, party Chairman Hua Kuo-feng, and others who have acquiesced in indirect criticism of the late Chairman but would see a direct assault on him as undermining Hua's position and fueling a major political confrontation over how far to go in the effort to desanctify Mao. []

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IRAN: Situation Report

[redacted] Iran appears relatively quiet, and the disturbances yesterday in Shiraz and Esfahan have ended. Oil production and exports continue to increase and are now approximately two-thirds of their prestrike level.



NICARAGUA: Situation Report

25X1 [] //Today's expiration of the opposition-imposed deadline for Nicaraguan President Somoza's departure is the most serious threat to date to the mediation effort and to the anti-Somoza coalition's own fragile unity. The Sandinista guerrillas, while clearly better armed and better trained now than during their offensive in September, are probably still not a military match for Somoza's strengthened troops. If they decide to launch another offensive, they would still likely require a popular uprising to topple the president.//

25X1 [] //While the opposition front reiterated its time limit to press both the US and Somoza, the coalition recognizes that it cannot afford protracted wrangling with Somoza over the terms of a plebiscite on his rule without risking major defections. Unwilling to compromise with Somoza, the members of the front fear another guerrilla offensive could undermine them politically and possibly expose them to reprisals. In the absence of a near-term agreement on a plebiscite, these strains would likely splinter the coalition.//

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EC: ASEAN Ministers to Meet

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[] //The Foreign Ministers of the European Community and the Association of Southeast Asian Nations conclude today their first meeting and will probably issue a joint statement on relations between the two organizations. The meeting in Brussels is primarily of symbolic importance, but both sides want to expand political and trade contacts.//

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[] //The EC has been expanding its relations with other countries, and the exchange with ASEAN complements longstanding EC economic links with Japan and recent overtures toward China. ASEAN offers a secure source of raw materials and a small but growing market for European products.//

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[] //ASEAN is seeking enhanced ties to the EC in order to balance the role of Japan and the US in its economic affairs. ASEAN leaders also see the EC as an important source of technological and developmental aid. Some members--notably Singapore, Thailand, and Indonesia--have advocated concluding a formal agreement with the EC at the meeting in Brussels to institutionalize economic and political links.//

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[] //Some EC member countries are not enthusiastic about closer ties with ASEAN, and the Community wishes to avoid making a political commitment now. West Germany, which looks upon ASEAN as a major force for economic and political stability in Southeast Asia, has been the most interested in improved relations with the organization. France, Italy, and the UK, however, want to move slowly. They are concerned that the EC might arouse unrealistic expectations among ASEAN members and weaken its traditional links with Africa. They also want to avoid stimulating demands from areas such as Latin America.//

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[] //ASEAN has been critical of EC protectionist measures affecting ASEAN exports of textiles, footwear, jute, and calculators. It has also spoken out against the EC's preferential treatment of certain developing nations under the Lome Convention. In Brussels,

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ASEAN will propose a regional scheme--called STABEX--to stabilize earnings from its commodity exports and will emphasize the need to establish the Common Fund currently under negotiation by the UN Conference on Trade and Development. EC members have already agreed in principle to create such a fund, but they are not prepared to agree to the STABEX scheme.//

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[REDACTED] //The ASEAN countries will also express their concern with the unabated flow of Indochinese refugees to their shores and will seek the cooperation of the EC in expeditiously resettling these refugees.

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[REDACTED]

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